



# CIRCULAR

## STATE OF NEW JERSEY

### DEPARTMENT OF THE TREASURY

|   |  |                       |
|---|--|-----------------------|
| NO.: 10-14-OMB                                  | ORIGINATING<br>AGENCY: OFFICE OF MANAGEMENT AND BUDGET | PAGE 1 OF 2           |
| EFFECTIVE<br>DATE: 07/01/2009                   | EXPIRATION<br>DATE: 06/30/2010                         | SUPERSEDES: 09-06-OMB |
| SUBJECT: "EMPLOYEE BENEFIT" REIMBURSEMENT RATES |  |                       |
| ATTENTION: AGENCY FISCAL AND PERSONNEL OFFICERS |  |                       |
| FOR INFORMATION CONTACT: ANNE FLETCHER          |  | PHONE: (609) 984-8261 |

The Office of Management and Budget has negotiated with the United States Department of Health and Human Services for a composite fringe benefit rate of 27.20 percent of base salaries for the year ending June 30, 2010. The rate is applicable to the personnel who are members of the Public Employees' Retirement System (PERS), Teachers' Pension and Annuity Fund (TPAF), Alternate Benefit Plan (ABP), and all employees who are not members of a pension plan, but are covered for health benefits. In addition, a rate of 31.10 percent for the Police and Firemen has also been negotiated. These negotiated rates are to be used for all Non-State funded sources.

The State Police fringe benefit rate for the year ending June 30, 2010, will be 31.30 percent for Non-State funded programs other than Federal.

Actual charges to Federal, Dedicated and Non-State funded programs will be reflected on the base salaries (salaries excluding overtime pay and part-time employees).

| <u>Object<br/>Account</u> | <u>Description</u>   | <u>PERS<br/>etc.</u> | <u>Police and<br/>Firemen</u> | <u>State<br/>Police</u> |
|---------------------------|--|----------------------|-------------------------------|-------------------------|
| 19                        | Pension  | 3.69                 | 4.78                          | 6.12                    |
| 19                        | Health Benefits<br>(Including Prescription Drug<br>And Dental Care Programs) | 22.15                | 23.82                         | 24.27                   |
| 19                        | Workers Compensation   | .88                  | 2.03                          | .70                     |
| 19                        | Unemployment Insurance   | .08                  | .07                           | .05                     |
| 19                        | Temporary Disability Insurance   | .25                  | .22                           | ---                     |
| 19                        | Unused Sick Leave  | <u>.15</u>           | <u>.18</u>                    | <u>.16</u>              |
|                           | TOTAL  | <u>27.20</u>         | <u>31.10</u>                  | <u>31.30</u>            |

Effective July 1, 2009, the rates shall be used by all State agencies including the State's senior public colleges and universities for estimating and computing actual charges for fringe benefit costs related to Federal, Dedicated and Non-State programs. Rates previously established are obsolete.

In addition to these fringe benefit rates, the employer's share of FICA/Medicare taxes will be charged to Federal, Dedicated and Non-State funded programs at the rate imposed by the Federal Government applied to the specified taxable wage base. The rate for the Calendar Year 2009 is 6.20 percent of the first \$106,800 paid to each employee and 1.45 percent for gross wages. The rate for the Calendar Year 2010 is 6.20 percent of the first \$106,800 (this amount remains unchanged for 2010) paid to each employee and 1.45 percent for gross wages.

| <u>Object<br/>Account</u> | <u>Description</u> | <u>PERS<br/>etc.</u> | <u>Police and<br/>Firemen</u> | <u>State<br/>Police</u> |
|---------------------------|--------------------|----------------------|-------------------------------|-------------------------|
| 19                        | FICA               | 6.20                 | 6.20                          | 6.20                    |
| 19                        | Medicare           | <u>1.45</u>          | <u>1.45</u>                   | <u>1.45</u>             |
|                           | TOTAL              | <u>7.65</u>          | <u>7.65</u>                   | <u>7.65</u>             |

  
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Charlene M. Holzbaur  
Director